

Message Text

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DRAFTED BY NEA:ALATHERTON,JR./ADUBS:NEA/EGY:GBEYER:LAB

APPROVED BY P:PCHABIB

S/S - MR. BRIDGES

S - MR. AHERNE

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FM SECSTATE WASHDC

TO USDEL SECRETARY FLASH

S E C R E T STATE 231087 TOSEC 270296

EXDIS

E.O. 11652: GDS

TAGS: PFOR, ENRG, IS, EG, US

SUBJECT: ACTION MEMORANDUM: DISCUSSIONS WITH
ISRAELIS ABOUT GULF OF SUEZ PROBLEM (S/S NO. 7619636)

REF: SECTO 27145

FOR THE SECRETARY FROM HABIB AND ATHERTON

1. DISCUSSIONS.

AS INSTRUCTED IN YOUR MESSAGE (SECTO 27145), HABIB MET
PRIVATELY WITH DINITZ EARLY ON SEPTEMBER 17 TO CONVEY ON
YOUR BEHALF THAT WE WERE PREPARED TO SETTLE THE 304.1 ISSUE
AND LEAVE OTHER ISSUES FOR LATER TALKS, WITHOUT PREJUDICE
TO THEIR OR OUR POSITION. HABIB EMPHASIZED THE OTHER POINT
YOU WISHED MADE IN PARA 2 AND THEN GAVE DINITZ THE ESSENCE
OF THE TALKING POINTS CONVEYED IN PARA 3 OF REFTEL. ON THE
BASIS OF THIS DISCUSSION, DINITZ AND EVRON COMMUNICATED
WITH RABIN PERSONALLY FOR FURTHER INSTRUCTIONS.

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2. FOLLOWING THE RECEIPT OF THEIR INSTRUCTIONS, DINITZ AND
EVRON MET WITH ATHERTON IN THE EARLY AFTERNOON. ATHERTON
OPENED THE MEETING BY COVERING VERBATIM THE EXPOSITION OF

OUR POSITION CONTAINED IN PARA 3 OF SECTO 27145. SPECIAL EMPHASIS WAS PLACED ON THE POINT THAT WE ARE NOT INSISTING ON AN ISRAELI COMMITMENT IN THE PRESENT TALKS TO AMOCO'S FUTURE DRILLING PLANS BUT SEEKING AN IMMEDIATE SOLUTION TO AMOCO'S RETURN TO SITE 304.1 WITHOUT HARASSMENT BEFORE SEPTEMBER 21, THE DEADLINE WHICH AMOCO WAS OPERATING UNDER IN RESPONSE TO AN ISRAELI REQUEST MADE THE PREVIOUS DAY BY DINITZ, ATHERTON THEN GAVE (WITH THE EXPLICIT AGREEMENT OF PRESIDENT ADAMS OF AMOCO) COPIES OF THE CURRENT CONCESSION AGREEMENTS, WHICH COVER THE PRE-1967 AREAS. IN REPLY TO A QUERY, ATHERTON POINTED OUT THE FORCE MAJEURE PROVISIONS IN THE COMPANY'S AGREEMENT BUT ALSO POINTED OUT THEY COULD BE INTERPRETED AS NOT APPLICABLE TO SITE 304.1.

3. DINITZ SAID THAT HE WAS RESPONDING TO INSTRUCTIONS HE HAD RECEIVED FROM RABIN FOLLOWING HIS REPORT OF THE DISCUSSIONS WHICH HE HAD EARLIER WITH HABIB AND DURING WHICH THE U.S. POSITION WAS FULLY SET FORTH. HE SAID HE WISHED TO REPEAT AT THE OUTSET THAT ISRAEL WISHED TO AVOID A CONFRONTATION. THIS WOULD NOT BE HELPFUL EITHER TO ISRAEL OR THE U.S. IN THE PAST NINE YEARS THE PRINCIPLE HAD BEEN ESTABLISHED THAT THE MEDIAN LINE IN THE GULF WAS NOT TO BE CROSSED WITHOUT CONSULTATION WITH ISRAEL. THE ISRAELI SIDE WAS PREPARED TO DISPLAY GOODWILL IN SOLVING THE IMMEDIATE PROBLEM AT HAND BUT WOULD HAVE TO INSIST THAT AMOCO'S ACCESS TO 304.1 COULD NOT BE RESOLVED WITHOUT AN OVERALL UNDERSTANDING AS TO WHAT ISRAEL WOULD HAVE TO CONTEND WITH IN THE FUTURE. THE U.S. PRESENTATION THIS MORNING SUGGESTED THAT THE U.S. WAS REVERTING TO A PIECE-MEAL APPROACH TO RESOLVING THE PROBLEM. THIS WOULD LEAVE ISRAEL UNCERTAIN REGARDING WHAT WOULD HAPPEN IN THE FUTURE. THUS, THE PROBLEM OF SITE 304.1 COULD NOT BE ISOLATED FROM AN OVERALL UNDERSTANDING. WHAT THE ISRAELI SIDE WAS THEREFORE SUGGESTING WAS THAT THE PROBLEM IN DISPUTE COULD ONLY BE RESOLVED IN THE CONTEXT OF THE OVERALL SITUATION. DINITZ SUGGESTED THAT SINCE THE PROBLEM COULD OBVIOUSLY NOT BE SETTLED BY THE SEPTEMBER 21 DEADLINE
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AMOCO COULD PRESUMABLY REQUEST THAT THE DEADLINE BE EXTENDED. DINITZ REPEATED THAT IT WOULD BE DESIRABLE TO DEFER THE TERMINATION DATE OF AMOCO'S CONCESSION IN SITE 304 SO THAT THE ISSUE COULD BE DISCUSSED IN A FRAMEWORK WHICH WOULD NOT PREJUDICE THE ISRAELI POSITION IN THE FUTURE. DINITZ SUGGESTED FURTHER DISCUSSIONS MIGHT TAKE PLACE BETWEEN ALLON AND YOURSELF WHEN ALLON VISITS THE U.S TO ATTEND THE UNGA SESSION.

4. EVRON INTERJECTED TO UNDERLINE THAT ISRAEL APPROACHED THE IMMEDIATE PROBLEM WITH A SINCERE DESIRE TO RESOLVE IT.

THE ISRAELI SIDE OPERATED UNDER THE IMPRESSION THAT THERE

WAS ONLY ONE MATTER TO RESOLVE AND THAT WAS SITE 304.1 BUT THAT THIS HAD TO BE DONE IN THE CONTEXT OF AN OVERALL UNDERSTANDING AS TO WHAT WOULD HAPPEN IN THE FUTURE.

5. DINITZ SAID THAT WORKING ON THE ASSUMPTION THAT 304.1 COULD NOT BE RESOLVED INDEPENDENTLY OF OTHER ISSUES, TWO POSSIBILITIES PRESENTED THEMSELVES. THE FIRST WAS TO HAVE THE NEGOTIATIONS BREAK IN A DEADLOCK. THIS COULD FORESHADOW A CRISIS WHICH NEITHER SIDE WANTS. THE SECOND POSSIBILITY WAS TO DEFER A DECISION ON 304.1 FOR A SHORT TIME, THAT IS, UNTIL ALLON COMES TO THE U.S. WHEN THE MATTER COULD BE FULLY DISCUSSED WITH YOU.

6. ATHERTON STATED THAT IT WAS OBVIOUS THAT THE U.S. SIDE ALSO DESIRED TO AVOID ANY CONFRONTATION OR CRISIS. WE APPRECIATED THE ISRAELI PROBLEM WITH APPROACHING THE MATTER PIECEMEAL AND THIS IS WHY WE WENT THROUGH SOME PAINS TO DESCRIBE AMOCO'S FUTURE DRILLING INTENTIONS SO THAT ISRAEL COULD CONSIDER 304.1 IN A BROADER CONTEXT.

7. DINITZ REPLIED THAT RABIN HAD SAID THAT THIS AMOCO DRILLING PROGRAM COULD NOT EVEN SERVE AS A BASIS FOR DISCUSSIONS. AS FAR AS HE COULD SEE THERE WAS NO NEED FOR ANOTHER EXCHANGE OF VIEWS WITHIN THE PRESENT GROUP AND IT WOULD BE BEST TO DEFER FURTHER DISCUSSIONS UNTIL YOU AND ALLON GET TOGETHER.

8. GIVEN THE IMPASSE THAT WE HAVE REACHED HERE AND DINITZ' SECRET

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SUGGESTION THAT FURTHER DISCUSSIONS BE CARRIED ON BY YOU AND ALLON, WE NEED YOUR GUIDANCE ON (A) WHETHER YOU AGREE TO THAT PROPOSAL; (B) THE PRESS LINE THAT BOTH SIDES SHOULD TAKE; (C) WHAT WE SAY TO THE EGYPTIANS; AND (D) WHAT WE SAY TO AMOCO.

9. RECOMMENDATIONS:

A. THAT YOU AGREE TO PURSUE THIS MATTER DURING ALLON'S FORTHCOMING VISIT TO THE STATES AND THAT WE HOLD NO FURTHER TALKS WITH EVRON AND DINITZ.

APPROVE DISAPPROVE

B. ASSUMING THAT FURTHER TALKS ARE THUS DEFERRED, THAT THE TWO SIDES FOLLOW THE FOLLOWING PRESS GUIDANCE, WHICH THE ISRAELIS SAY IS AGREEABLE TO THEM AND THEY WOULD LIKE TO PUT OUT SATURDAY MORNING ISRAELI TIME:

QTE: ON SEPTEMBER 16 AND 17 UNDER SECRETARY HABIB AND ASSISTANT SECRETARY ATHERTON HELD TALKS WITH AMBASSADOR DINITZ AND DEPUTY DIRECTOR GENERAL EVRON OF THE ISRAELI

FOREIGN MINISTRY ON QUESTIONS RELATING TO THE ACTIVITIES OF AN AMERICAN OIL COMPANY IN THE GULF OF SUEZ. THE EXCHANGE OF INFORMATION WAS USEFUL IN CLARIFYING THE SITUATION. THERE REMAIN SOME POINTS WHICH STILL HAVE TO BE RESOLVED, AND EXCHANGES ON THE SUBJECT WILL CONTINUE THROUGH DIPLOMATIC CHANNELS.

QUESTION: WHAT ARE THE POINTS ON WHICH THERE ARE DIFFERENCES?

ANSWER: WE DO NOT WANT TO GO INTO THE DETAILS OF MATTERS WHICH ARE STILL UNDER DISCUSSION.

QUESTION: ARE THE TALKS CONTINUING WITH THIS VISITING ISRAELI GROUP?

ANSWER: NO. AS I SAID, EXCHANGES WILL CONTINUE THROUGH DIPLOMATIC CHANNELS.

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QUESTION: WILL THE SECRETARY AND ALLON BE DISCUSSING THIS MATTER?

ANSWER: WE ASSUME THAT THIS MATTER WILL COME UP WHEN THEY MEET.

APPROVE DISAPPROVE

C. THAT THE FOLLOWING MESSAGE BE SENT TO FAHMY REPORTING ON OUR DISCUSSIONS WITH THE ISRAELIS:

BEGIN TEXT OF PROPOSED TELEGRAM:

IMMEDIATE TO CAIRO/SECRET/EXDIS

E.O. 11652: GDS

TAGS: PFOR, ENRG, US, EG, IS

SUBJECT: TALKS WITH ISRAELIS ON AMOCO

(,)REQUEST YOU PASS TO FAHMY FOLLOWING MESSAGE FROM ME CONCERNING TALKS SEPTEMBER 16-17 BETWEEN DEPARTMENT OF STATE OFFICIALS AND ISRAELIS CONCERNING AMOCO'S RIGHTS TO DRILL IN GULF OF SUEZ:

(2)BEGIN TEXT: DEAR ISMAIL: UNDER SECRETARY PHIL HABIB AND ROY ATHERTON HELD TALKS IN WASHINGTON SEPTEMBER 16 AND 17 WITH EPHRAIM EVRON, DEPUTY DIRECTOR GENERAL OF THE ISRAELI FOREIGN MINISTRY AND ISRAELI AMBASSADOR TO THE U.S. DINITZ CONCERNING AMOCO'S RIGHTS TO DRILL IN THE GULF OF SUEZ. HABIB AND ATHERTON PRESENTED AMOCO'S CASE IN A MANNER WE HOPED WOULD PERMIT A PRACTICAL AND SPEEDY

RESOLUTION OF THE PROBLEM, THEREBY FACILITATING THE IMMEDIATE COMMENCEMENT OF DRILLING BY AMOCO AT SITE 304.1.

THE ISRAELIS, AFTER REFERRING OUR POSITION TO THEIR GOVERNMENT FOR CONSIDERATION, ADVISED US THAT THEY COULD NOT ACCEPT IT WITHOUT FURTHER DISCUSSION.

I DID NOT FIND THE ISRAELI REPLY RESPONSIVE TO OUR REQUIREMENTS. WE HAVE AGREED, THEREFORE, THAT I WILL DISCUSS THIS MATTER FURTHER WITH FOREIGN MINISTER ALLON WHEN HE
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IS IN NEW YORK FOR THE OPENING OF THE 31ST UNITED NATIONS GENERAL ASSEMBLY.

I AM ALSO LOOKING FORWARD TO REVIEWING THIS MATTER WITH YOU AND GIVING YOU A MORE DETAILED ACCOUNT OF WHERE MATTERS STAND WHEN WE MEET IN NEW YORK. HOPEFULLY THIS WILL GIVE TIME TO THE ISRAELIS TO REVIEW THE VERY STRONG POSITION WE HAVE TAKEN WITH THEM. IN PRACTICAL TERMS, WHAT THIS MEANS IS THAT WE HAVE NOT YET RECEIVED AN ISRAELI ASSURANCE THAT THEY WILL NOT INTERFERE WITH AMOCO ACTIONS TO COMMENCE DRILLING AT SITE 304.1 WHICH, AS YOU KNOW, IS EAST OF ANY EXISTING OPERATING SITES IN THE RAMADAN FIELD. AS I UNDERSTAND IT, AMOCO'S AGREEMENT SPECIFIES IT MUST BEGIN OPERATIONS AT THAT SITE BEFORE SEPTEMBER 21, 1976. I AM CONCERNED, PENDING OUR FURTHER DISCUSSIONS WITH THE ISRAELIS, THAT THERE BE NO DEADLINES OR FURTHER INCIDENTS THAT COULD MAKE A RESOLUTION OF THIS PROBLEM MORE DIFFICULT. I UNDERSTAND AMOCO MAY BE SEEKING FROM YOUR GOVERNMENT AN

EXTENSION OF THE SEPTEMBER 21 DATE.

I HOPE IN THESE CIRCUMSTANCES THAT IT WILL BE POSSIBLE FOR AMOCO AND THE EGYPTIAN PETROLEUM COMPANY TO OBTAIN SUCH AN EXTENSION. I UNDERSTAND IN FACT THAT THE TERMS OF THE CONCESSION MAY MAKE SUCH AN EXTENSION POSSIBLE.

I REGRET WE COULD NOT OBTAIN THE QUICK DECISION ON THIS MATTER WE DESIRED, BUT I WILL LOOK FORWARD TO REVIEWING WITH YOU THE FULL SITUATION ON SEPTEMBER 27.

WARM REGARDS, HENRY A. KISSINGER.

(3) ADVISE WHEN ABOVE MESSAGE DELIVERED TO FAHMY. END TEX

RECOMMENDATION: THAT YOU APPROVE THE FOREGOING TELEGRAM TO CAIRO.

APPROVE DISAPPROVE

D. THAT WE FOLLOW EXACTLY THE SAME LINE WITH THE COMPANY

THAT WE HAVE WITH THE EGYPTIANS.

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APPROVE DISAPPROVE

,0.DRAFTED: NEA:ALATHERTON/ADUBS/NEA/EGY:GBEYER

CLEARANCES: S/S

APPROVED: P-PCHABIB; S - MR. AHERNE

ROBINSON

SECRET

<< END OF DOCUMENT >>

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